- Loans upto Rs. 50,000/- have been made collateral and margin free and the requirement of 'No Dues Certificate' have been dispensed with.
- Banks have been advised to provide all eligible farmers with Kisan Credit Cards.
- Banks have been instructed to achieve financial outreach through provison of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, Non Governmental Organisations (NGOs), Post Offices as Business Facilitator/Business Correspondent Model, etc.

**Concessions and duties for pharmaceutical sector**

†4198. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether the pharmaceutical industries and pharmaceutical drugs which are directly related to the health of the people of the country, have been denied concessions and proper duty; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In this year's budget (2008-09), a concessional exicse duty @8% has been provided on all pharmaceuticals including drugs and medicines. General SSI exemption is also available to pharma sector. Further, specified life saving drugs and bulk drugs for their manufacture attracts nil/5% basic customs duty. Such drugs are also exempted from exicse duty. In addition, Government had also provided concessional rate of 5%/ nil basic customs duty on specified R&D equipment for pharma and bio-technology sectors, for importers/manufacturers having research and development wing registered with the Department of Scientific & industrial Reserach, in the Ministry of Science and Technology.

**Policy for sanctioning of loans**

†4199. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether any steps have been taken or proposed to be taken by Government to review drarwbacks in the policy being followed by banks and financial institutions for sanctioning loan and its recovery for the unprivileged section, the unemployed youth, labourers and farmers;

(b) if so, the details thereof, as on date; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Lending to agriculture and weaker sections and progress in lending/ recovery to these sections of the population is monitored/reviewed periodically by the Government/RBI at different fora like Block Level Bankers' Committee (BLBC), District Consultative Committee (DCC) and State Level Bankers' Committee (SLBCs), etc.

† Original notice of the question was received in Hindi.

As a measure to penalize non-achievement of targets under priority sector lending which includes lending to agriculture and weaker sections, the RBI has advised domestic scheduled commercial banks that shortfall in lending to priority sector targets and/or agriculture target shall be allocated for contribution to the Rural Infrastructure Development Fund (RIDF).

In addition, the RBI in its Annual Policy Statement for 2008-09 has announced that the shortfall in lending to weaker sections would also be taken into account for contribution to RIDF *w.e.f.* April 2009.

**Rise in price of cement and steel**

4200. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that prices of steel, cement, etc. has risen sharply after presentation of budget this year despite Government's announcement for reduction in custom and Central excise duty;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken by Government to check the price rise of such basic building blocks of the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Year on year per cent increase in the prices of cement and iron and steel products measured in terms of Wholesale Price Index are indicated below:

| Week end date | Cement | Iron & Steel |
|---|---|---|
| March 1, 2008 | 5.13 | 8.69 |
| March, 8, 2008 | 5.13 | 20.87 |
| March, 15, 2008 | 4.49 | 26.86 |
| March, 22, 2008 | 5.13 | 27.47 |
| March 29, 2008 | 5.13 | 34.20 |
| April 5, 2008 | 4.49 | 34.15 |
| April 12, 2008 | 4.49 | 34.15 |
| April 19, 2008 | 4.54 | 35.19 |

Both cement and steel are deregulated sectors, where market prices are dependant upon the interplay of market forces including demand and supply situations. Besides closely monitoring the prices of steel and cement, Government has taken the following measures to moderate the increase in steel prices.

(i) Import duty on all non-alloy steel and melting scrap has been brought down from 5% to Nil.

(ii) The import duty on raw material imports such as zinc, ferro-alloys and metallurgical coke has been brought down from 5% to Nil.

(iii) DEPB benefits on export of various categories of steel products have been withdrawn *w.e.f.* 27.03.2008

(iv) General CENVAT rate has also been reduced from 16% to 14%